

**Edina Affordable Housing Task Force
Meeting Minutes
January 26, 2005**

Present: Bob Aderhold, Michael Bartus, Phyllis Brevig, Valerie Burke, Kandace Ellis, John Helling, Jeff Huggett, Mike Huck, Doug Johnson, Sally Krusell, C. Scott Massie, Douglas Mayo, Barb McFarlane, Sharon Ming, Cappy Moore, Carol Mork, Skip Thomas, Judy VanOsdel, and Janice Williams

Absent: Hal Clapp, Michael Fischer, and Joan Naymark

Edina Staff Representative(s): Susan Heiberg, Joyce Repya and Craig Larsen

Project Consultants: Dave Engstrom, Rich McLaughlin, Helene Shear and Rick Peterson

The meeting was called to order at 7:30 a.m.

Minutes were reviewed with the task force. Jeff Huggett made the motion to approve the minutes. Some discussion occurred regarding a statement in the minutes about neighborhood district terms. It was commented that the terms do not officially exist as in St. Paul or Minneapolis. John Helling seconded Jeff's motion. Minutes were approved.

Dave introduced Craig Larsen, Edina's City Planner, and Joyce Repya, Associate Planner.

Craig Larsen provided an overview of the City's participation in the Livable Communities Act.

Basic points were:

- The Metro Council gave no LCA Affordable Housing grants to the City.
- In the ten years of the act, \$100 million dollars were spent.
- No request for grants came from the City.
- Typical grants are in the \$75,000.00 to \$200,000.00 range. These funds are not substantial and are usually spent on minor improvements and cosmetics prior to an actual project.
- The City hasn't applied; there are no projects at hand.
- Most funding for affordable housing involves community development funds through the East Edina Housing Fund (EEHF).
- The EEHF funds are used to develop funds rehab, grants to developers and to extend loan terms to create affordable housing.
- The LCA has a scoring system to award grants, based on choice (high score), affordability (Edina has a low grade here) and density (high score)
- Housing affordability is limited in Edina; therefore, efforts to apply for LCA grants have not been pursued.
- The City of Edina has agreed with the Metro Council to maintain existing levels of affordability.
- The City invests around \$500,000.00 each year in affordable housing, and the current amount is at \$280,000.00
- Every year the City has met its goals with the Metro Council. If the goals are not met, the City must contribute into the general fund.
- There is not an allocation from the Metro Council. Cities must compete for funds. Funds are project-specific, and money for other programs are tied to the LCA score. Edina's score averages between 60 and 66%.
- A house in Edina that sells for under 184,000.00 is considered affordable.
- Condos and town homes seem to be in the affordable housing range. Single family homes in Edina are not.
- The LCA is a tool that the City considers valuable and would like to use it.

The Task Force asked the following questions:

Q. Grant timing?

A. Proposals are due in the late spring, with funding occurring in August. These funds, however, are small and are used to supplement other sources.

Q. Other Edina funds?

A. Securing primary mortgages, funds from local housing organization, \$170,000.00 available from the City, other funds through the County.

Q. Role of Edina Housing Foundation?

A. Formed for the Edinborough project. Uses TIF funds, used to write down the cost of the program, has slow second mortgage with a rate of 5% until the unit is sold. The funds need to be implemented within the EEHF neighborhood.

Q. Funding source for Edina Housing Foundation?

A. Funding from repayment of loans; funds limited to affordable housing.

Q. Land trusts?

A. The City is interested, but it hasn't been done yet. The system is that the owner owns the house, and the trust owns the land. The City would probably team up with the West Hennepin Land Trust.

Q. Has the City created a list of property to buy for land trusts?

A. The City has agreed to participate with the Metro Council HRA to own and maintain 20 units as a result of the Holman settlement funds, through a block grant. Seven to eight units were acquired—with a high cost of rehabilitation—and is considered scattered site housing.

Q. Is the HRA involved in affordable housing?

A. HRA can establish a levee—a tool to use.

Q. Cap of levee?

A. \$700,000.00 range annually

Q. Edina Housing Foundation assets

A. Several million dollars

Q. Potential for Affordable Housing

A. City and Foundation own several properties in the Valley View and Wooddale area; potential 15 affordable housing units at West 70th Street and Metro Boulevard

Q. Can Edina Housing Foundation act as a nonprofit developer?

A. The organization has no developer expertise. It is mainly a source of funds.

Q. If a developer comes in, how does the City ensure that a percentage of the housing is affordable?

A. Supplemental funding from the city influences this.

Q. Does the city have a proactive role like St. Paul, where they act as a developer to include affordable housing?

A. Staffing is not there. Private developers have the lead role. The City is not an owner of housing. St. Paul uses its economic development department for this, and they also have excess land to develop. Edina has neither.

Q. Is this City working with the new owner of the Southdale Mall to create affordable housing?

A. A land use study of the Southdale area is currently being conducted by the City, which could mean a possible site for affordable housing. Stay tuned; watch for the council recommendation! New owner (Mills Company) may reinvent the place to suit the times; i.e. using the concept of lifestyle malls (ex. SawGrass Mall). The Land Use Committee has received three proposals. Citizen input is encouraged at the next community meeting on February 10th at Braemar Clubhouse. The traffic circulation system is a priority. Dollars for transit and housing are linked. Park-and-Ride is being considered, and Metro-Transit has dollars to assist in this from livable community funds. Rich noted that there are planning grants available for specific sites.

The committee thanked Mr. Larsen and Ms. Repya for their presentation.

The Task Force was adjourned at 8:40 a.m. Members attended their assigned committees meetings.